AFRICA RECOVERY
UPDATE ON NEW AGENDA FOR AFRICA
DECEMBER 1993

Mobilizing support for Africa

Conflicts undermining that goal, Secretary-General tells High-Level Panel

UN Secretary-General Boutros Boutros-Ghali on 2 December 1993 urged Africa and its partners to intensify their cooperation in order for the continent's development efforts to bear fruit. Speaking to the Panel of High-Level Personalities on African Development he has appointed to advise on the implementation of the UN New Agenda for the Development of Africa in the 1990s (UN-NADAF), he also warned that political instability discourages support for development.

The full text of the Secretary-General's remarks to the Panel appears below, followed by articles on his first report on UN-NADAF, on financial flows and on diversification of African economies.

New York, 2 December 1993

When we met in Geneva, last December, I called for a fresh approach to the economic development of Africa. I explained that I saw this Panel of High-Level Personalities as my "think tank" on African development. I sought your help in producing practical suggestions and realizable options.

UN/Milton Grant

Secretary-General Boutros Boutros-Ghali greets High-Level Panel member Olusegun Obasanjo before the 2-3 December meeting

In Rome, this past April, I appealed to the Panel for new ways of presenting to the world the urgent needs of African development. I asked for new ideas and new themes around which I could mobilize an international response — convincing Governments to act, and encouraging agencies and programmes of the United Nations system to work better together.

The discussions in Rome were substantive and concrete. They focused on the role of non-governmental organizations, and on the diversification of African economies. Practical recommendations were made, many of which are now being followed up. Following the Panel's recommendation, I addressed a personal letter on African development to the leaders of the Group of Seven, prior to their July meeting in Tokyo. I appealed for their help in promoting security, supporting democracy, and assisting economic development in Africa. The attention shown by many of those leaders to my message has translated into a growing awareness that the problems of African development require global attention.

During its present session, the General Assembly has itself taken up the question of economic diversification. In the context of this debate, the Secretariat submitted to the General Assembly a paper on the feasibility of establishing a diversification fund for Africa's commodities. Twenty-nine speakers actively participated in the discussion of this topic. A draft resolution is currently being considered by the Assembly.

In total, three papers on African development were submitted by the Secretariat to the General Assembly during the present session. In addition to

the report on diversification, the General Assembly received the "United Nations New Agenda for the Development of Africa in the 1990s." The General Assembly also received a report on the mobilization of additional resources for Africa's economic recovery and development.

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Secretary-General Boutros Boutros-Ghali addressing the High-Level Panel. To his left, Ms. Ellen Johnson Sirleaf, acting Secretary to the Panel.

A draft resolution on African development has now been submitted to the General Assembly. This draft resolution suggests actions which could be taken to strengthen international support for African development.

At the recently concluded Tokyo Conference on African Development, African leaders committed themselves to building a new partnership with the international community. The very constructive role played by the Government of Japan in helping to build this new partnership is a source of particular encouragement.

Progress is being made. Africa is not being ignored. But drawing attention to the problems of Africa does not by itself produce solutions. Solutions must still be sought. Words must still be transformed into action.

The agenda for this meeting is especially ambitious. Both items are of vital importance for African development. First, the Panel will analyse the political aspects of providing for long-term development in Africa. Then, the Panel will turn its attention to the question of how best to encourage regional cooperation and economic integration in Africa.

Political instability discourages support for development. Political conflict destroys the foundations of development. The recent history of Africa has very clearly demonstrated that peace, stability and security are prerequisites for development. Time and time again, all across Africa, hopeful steps towards development have faltered because of unrest and instability. Time and time again, unrest and conflict have destroyed in a few months the progress that has been painstakingly achieved over the course of many years.

Political conflict in Somalia has cost hundreds of thousands of lives. It has destroyed that country's infrastructure. It has wiped out Somalia's productive capacity. Instead of economic development, Somalia must now focus on humanitarian relief and social reconstruction. In Angola, and in Liberia, the problem is the same. In an atmosphere of conflict and strife, the very foundations of development are all too easily destroyed.

Elsewhere in Africa, political instability discourages investment, while political unrest deters substantial assistance. The result is stagnation.

The consequence is prolonged human misery. In some societies, dissatisfaction and conflict result from an imbalance in political relationships. In other societies, dissatisfaction and conflict result from an imbalance in economic opportunities. In all of these societies, the presence of turmoil reflects the need for political adjustment and political reform.

Each society is differently constituted — in its history, in its people and in its culture. No pre-determined models can be superimposed. No one formula can be universally applied. Each society must determine the proper mixture of ingredients for itself. But whatever the mixture, it is clear that peace cannot long be preserved where economic injustice is systematically perpetuated, or where the opportunity for economic advancement is continually denied.

It is clear that peace will be fragile if political institutions are not accountable, if political participation is not widespread, or if human rights are not respected. Long-term development in Africa cannot be achieved in an atmosphere of instability and conflict. A stable *modus vivendi* must be found for each society. Achieving this objective will enable Africa to develop her full potential — politically, socially and economically.

"Peace cannot long be preserved where economic injustice is systematically perpetuated, or where the opportunity for economic advancement is continually denied."

UN Secretary-General Boutros Boutros-Ghali

In Geneva, I noted that regional cooperation and integration was one of the key areas for the future development of Africa. Regional markets can provide export alternatives for local producers. Regional projects can help to rationalize the use of resources and talent. Through regional alliances, African countries can give themselves the means to negotiate on more favourable terms with their international counterparts.

In peacemaking and in preventive diplomacy, African countries have increasingly begun to use regional organizations to pursue their common objectives. I hope that the clear benefit that regional cooperation has brought in the political field, will now inspire greater confidence and

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determination to cooperate in the economic field.

Regional economic cooperation does not happen without great effort and great planning. There are many obstacles. A firm political commitment is required. Political will-power is needed to resist short-term economic inducements that conflict with regional priorities.

Regional cooperation has been most effective when it has been broad based. Economic cooperation is helped by political cooperation. Political cooperation is boosted by economic partnership. For Africa, it is necessary to build a broad foundation of cooperation. Regional cooperation should include not only trade but political, social and cultural cooperation as well.

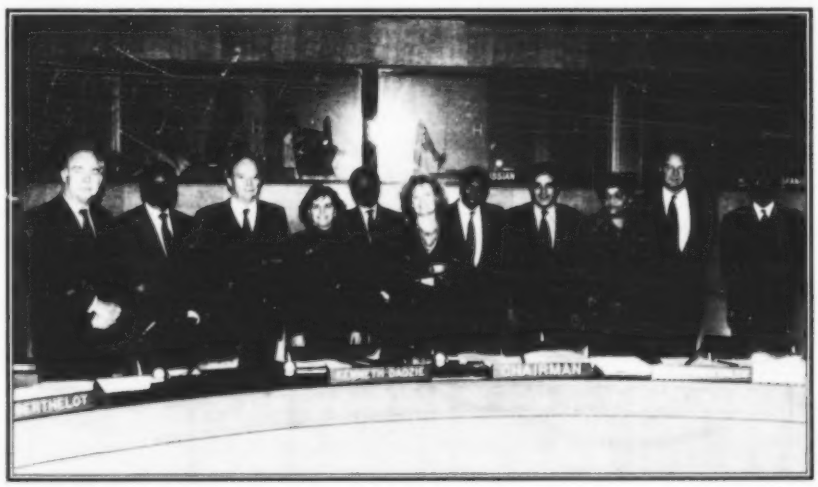
Regional integration requires an increased coordination among multilateral, bilateral and national efforts for development. In my report to the General Assembly on Cooperation between the United Nations and the Organization of African Unity (OAU), I made a number of concrete recommendations on furthering the establishment of al look forward to hearing from the Panel on how best to implement these and other practical recommendations to enhance regional cooperation.

Development is a political undertaking, as well as an economic undertaking. Development strategies that fail to take the political dimension of development into account, are certain to fail. Unless there is the political will to pursue policies that are conducive to development, development in Africa is certain to stagnate. Political reform, economic adjustment, regional integration and the promotion of economic justice require a strong political commitment if they are to succeed. The political obstacles to development must be clearly identified and addressed. Without such a commitment, African development will remain fragile and uncertain.

Africans have demonstrated that they do not lack courage or commitment in addressing the problems of development. Many African countries are implementing difficult economic adjustment programmes. These reforms are designed to enable African economies to become more internationally competitive. They are a clear and strong demonstration of Africa's determination to improve its long-term economic outlook, and to establish a firm economic foundation for growth.

Even more must be done. Long-term development in Africa requires new priorities. There must be a shift away from excessive expenditures on armaments and defense. Greater emphasis must be placed on more productive sectors of society. Health, education and nutrition are basic and necessary infrastructures of development.

Structural adjustment is not popular on the streets of Africa. The fruits of these efforts have yet to ripen, but the hardships they have brought are already very apparent. Dislocation, unemployment and declining living standards are only a few of the immediate difficulties that many countries are now experiencing.



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The Secretary-General's Panel of High-Level Personalities on African Development at its 2-3 December meeting. From left, Mr. Martin Huslid, Permanent Representative of Norway to the UN; Mr. Brownson Dede, Assistant Secretary-General of the Organization of African Unity (OAU); Mr. Yves Berthelot, Executive Secretary of the UN Economic Commission for Europe (ECE); Ms. Catherine Bertini, Executive Director of the World Food Programme (WFP); Mr. Kenneth Dadzie, Secretary-General of the UN Conference on Trade and Development (UNCTAD); Ms. Sylvie Brunel, Director-General of Action internationale contre la faim; Mr. Simba Makoni, Executive Secretary of the Southern Africa Development Community (SADC); Mr. Layashi Yaker, Executive Secretary of the Economic Commission for Africa (ECA); Ms. Ellen Johnson Sirleaf, Assistant Administrator and Regional Director for Africa, UN Development Programme; Mr. Edward Jaycox, World Bank Vice President for Africa; Mr. Mamoudou Touré, Counsellor and Director, Africa Department, International Monetary Fund (IMF). Missing from picture is General Olusegun Obasanjo, former President of Nigeria and Chairman of the Africa Leadership Forum.

In the face of such challenges, reform has required both courage and political conviction. Governments must be encouraged to stay the course. Greater care must also be taken to help Governments address the dire human consequences of such reforms.

Unfortunately for Africa, political will alone cannot guarantee results. Africa requires assistance. The international community must do its part by addressing the issues that impede Africa's ability to compete on fair terms. Critical questions such as access to markets, debt relief, technology transfer and the reorientation of bilateral assistance must be addressed by the international community as a whole.

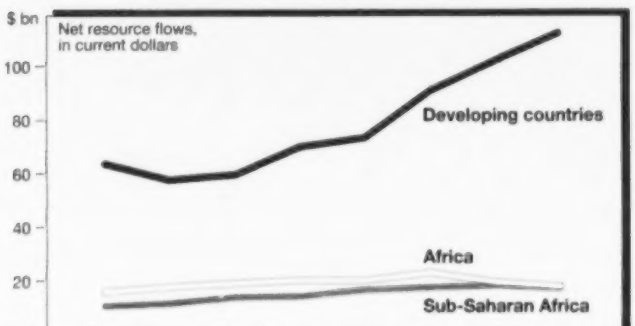
While Africa strives to put her own political and economic house in order, the international community must not remain idle or indifferent. A constructive engagement is needed and necessary. The international community must show its support for Africa's reforms by its actions, as well as by its words.

FIRST REPORT ON THE NEW AGENDA FOR AFRICA

UN Secretary-General calls for more support for African reforms

THERE ARE FEW SIGNS of any end to the economic and social crisis sweeping most of Africa, despite efforts by countries to reform their economies and democratize their societies, according to a just released report by UN Secretary-General Boutros Boutros-Ghali. Slow economic growth, deteriorating terms of trade, the burden of debt servicing and stagnating flows of external financing have all marked a disappointing start to the current decade, he observes in his first preliminary assessment of the UN New Agenda for the Development of Africa in the 1990s, two years after its adoption by the General Assembly.

Financial flows bypass Africa



	1985	1986	1987	1988	1989	1990	1991	1992
Developing countries	63.1	56.8	58.9	69.6	72.5	90.4	101.2	112.5
Africa	15.8	16.9	18.3	19.6	19.7	22.3	19.4	18.4
Sub-Saharan Africa	10.0	11.0	13.3	13.8	16.0	17.3	17.9	17.8

Source: World Bank and ECA

The Secretary-General urges more assistance for the continent, but he warns, "There is a great concern that international support for Africa's economic recovery may not be forthcoming." Two separate reports specifically address aspects of this international dimension: one prepared by the UN's Office of the Special Coordinator for Africa and the Least-Developed Countries, analyzing resource flows to Africa and the other, prepared by the UN Food and Agriculture Organization, recommending steps to help Africa diversify its commodity exports (see pages 5 and 7).

The New Agenda, when it was adopted in December 1991, marked a renewed — and shared — commitment to Africa's development. While African governments reaffirmed their determination to carry through difficult economic reforms and ensure the effective participation of their people, donor countries and international development agencies pledged to give "full and tangible support to the African effort." If Africa was to see its gross domestic product (GDP) grow by an annual average of at least 6 per cent by the end of the decade, said the New Agenda, it would have to receive a net $30 bn in official development assistance (ODA) by 1992, after which aid would need to rise by 4 per cent annually, in real terms, over the rest of the decade.

'Tide of democratic movement'

At the political level, there has been considerable progress, the Secretary-General notes. Although some African governments continue to resist popular demands and are still allocating a disproportionate share of their budgets to military spending, "the rising tide of democratic movement in Africa is a sign that a new era for political change is emerging within the region as the demand for a pluralistic system, accountability and freedom of speech is spreading fast over many countries."

More than 30 African countries are continuing to implement stabilization and structural adjustment programmes initiated in the 1980s, the report notes. Many are promoting environmental protection, while 18 countries have officially adopted population policies — an important step on a continent where population grows by 3 per cent a year.

Despite such efforts, however, economic performance has been disappointing. During the first three years of the decade, Africa's GDP grew, on average, just 2.1 per cent annually. This was less than half the average for the developing world as a whole. Even worse, when set against Africa's rising population, per capita growth

"It is unlikely that the level of official development assistance to Africa will grow substantially during the 1990s."

UN Secretary-General Boutros Boutros-Ghali

was negative, contributing to the more than 15 per cent decline in per capita income from 1980 to 1992. Only North Africa registered growth significantly ahead of population — 3.8 per cent on average — while for Eastern and Southern and Central Africa, average growth was only around 1 per cent.

In most basic food commodities, self-sufficiency on the continent stagnated, and even deteriorated in some instances, the Secretary-General reports. Together with the impact of drought and the disruptions of war, this meant that high levels of food imports and aid were still required. "Poverty, malnutrition, poor health conditions, illiteracy, low life expectancy and high maternal and child mortality rates are greater in Africa than in any other developing region," says the report.

International environment

The poor showing of Africa's economies has been influenced by a highly unfavourable international economic environment.

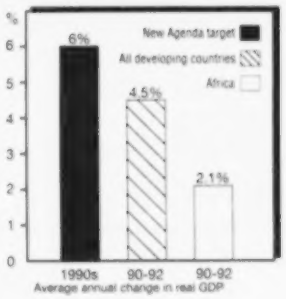
Since the continent's investment climate remains unattractive, it depends on ODA for two-thirds of its external resource flows. But rather than increasing as recommended in the New Agenda, bilateral ODA fell from $12 bn in 1990 to $10.7 bn the following year. Given the tightening of aid budgets in the donor countries and the new competition for aid from Eastern Europe and the former Soviet Union, notes the report, "it is unlikely that the level of ODA to Africa will grow substantially during the 1990s."

And while some bilateral creditors have provided debt relief to many African countries, the continent's total indebtedness has continued to increase — to the equivalent of 93 per cent of GDP in 1992 — with debt servicing consuming over 30 per cent of Africa's foreign exchange earnings.

Weak commodity prices

International commodity prices — especially for the primary commodities upon which Africa depends for 90 per cent of its export earnings — are likely to remain volatile, although some projections indicate that the downward trend of the past two decades might end. In 1991, reports the Secretary-General, Africa lost $5.6 bn in potential earnings from the continuing deterioration in its terms of trade alone.

Growth falls short



For the ambitious goals of the New Agenda to have a chance of success, the Secretary-General concludes, African countries will need to continue with their economic reforms, consolidate the moves toward democracy and "boldly show their commitment to subregional and regional cooperation" by removing the restrictions that leave Africa economically and politically fragmented. Just as crucially, he insists, the international community must "demonstrate consistency and provide support commensurate with the magnitude of the reform undertaken."

FIRST REPORT ON THE NEW AGENDA FOR AFRICA

Decline in financial flows to Africa must be reversed

FINANCIAL FLOWS to the continent declined by 14 per cent in 1991 and a stunning 43 per cent in 1992. If Africa is to sustain the momentum of its difficult economic reform process, this trend must be reversed and developed countries will need to ensure "significant increases in external financial resources and debt relief measures" for the continent, says a report by UN Secretary-General Boutros Boutros-Ghali.

Africa's declining access to funds stands in contrast to the surge in lending to developing countries overall. These flows rose by 11 per cent in 1991 and by 21 per cent in 1992, prompting the Secretary-General to observe that "Africa has been bypassed."

Africa's financing trends run contrary to the recommendations of the UN New Agenda for the Development of Africa in the 1990s, adopted by the General Assembly in December 1991. For Africa's growth rates to rise sufficiently to set the continent on a course of economic recovery, the New Agenda estimated that the continent would need aid levels significantly higher than those prevailing at the end of the 1980s. In his report, the Secretary-General presents a series of recommendations for greater and more effective aid allocations, more concerted debt relief and improved conditions for foreign investment in Africa.

More than any other world region, Africa remains highly dependent on external financing. In many African countries, notes the report, domestic savings rates are as

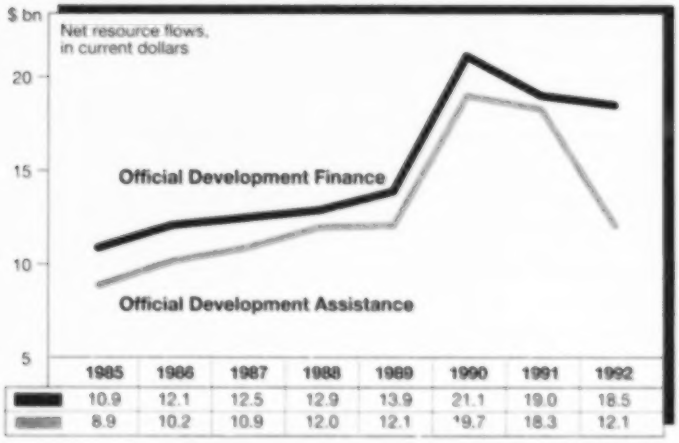
low as 10 per cent of gross domestic product (GDP), compared to more than 20 per cent in some other developing regions. As a result, domestic financing is only able to cover one-quarter of Africa's capital investment needs.

Especially devastating to Africa's financial position have been the enormous losses it has suffered from deteriorating terms of trade, the report stresses. In 1992 alone, African countries terms of trade fell a further 7.5 per cent, much greater than elsewhere. This has slowed domestic economic activity and made it increasingly difficult for the continent to sustain adequate import levels. "If economic reforms are to be effective in stimulating recovery and sustained growth," says the Secretary-General, "African countries must be able to import the raw materials, spare parts and investment goods needed to expand their production, income and exports."

Africa's resource flows decline

In current dollars, net financial resource flows to Africa declined to $18.4 bn in 1992 from $22.2 bn in 1990. When measured in constant 1985 dollars, this meant that Africa obtained resource flows of just $14.7 bn in 1992, below the $15.8 bn received in 1985, the year before the start of the UN Programme of Action for African Economic Recovery and Development, the New Agenda's predecessor. When allowance is made for repayments of capital, interest and profits, net transfers of aid, loans and foreign investment to Africa, in real terms, declined from $10.4 bn in 1990 to $5.3 bn in 1992, the report says.

Aid flows to Africa are under threat



	1985	1986	1987	1988	1989	1990	1991	1992
Official Development Finance	10.9	12.1	12.5	12.9	13.9	21.1	19.0	18.5
Official Development Assistance	8.9	10.2	10.9	12.0	12.1	19.7	18.3	12.1

Source: World Bank, ECA

Viewed separately, sub-Saharan Africa did not fare quite so badly. In 1992, net resource flows to the subregion amounted to $14.2 bn (in 1985 dollars), down from $14.6 bn in 1990, but still significantly higher than the $9.6 bn in resource flows registered in 1985. Net transfers for sub-Saharan Africa have also remained steady in real terms in the 1990s, at around $9.7 bn.

One factor explaining the divergence between Africa and the rest of the developing world, notes the report, has been the sharp rise between 1990-92 in private sector lending to developing countries. This has never been a major source of external financing for most of Africa.

Aid levels plummet

While still higher than in the mid-1980s, overall aid flows to Africa fell sharply in 1992, according to the report. Measured in current dollars, official development assistance (ODA) to the continent declined from a peak of $19.7 bn in 1990 to $18.3 bn in 1991 and $12.1 bn in 1992, a fall of 33 per cent in the latter year. For sub-Saharan Africa specifically, ODA in 1992 fell by 22 per cent from 1991.

To a large extent, these declines reflect a fall-off in bilateral aid from the largest donor countries, especially the member-states of the Development Assistance Committee (DAC) of the organization for Economic Cooperation and Development. At the same time, multilateral aid from institutions such as the World Bank, European Community and other international organizations, which increased during the late 1980s, "tapered off during the early 1990s," the Secretary-General notes. Multilateral aid, moreover, is "likely to slow down significantly" in the second half of the 1990s unless there are significantly higher replenishments of the World Bank's soft-loan arm, the International Development Association, and the African Development Bank's African Development Fund.

Continued reductions in aid will be devastating for sub-Saharan Africa in particular, notes the report, since ODA now accounts for 80 per cent of financial flows to the region.

Donor countries, the Secretary-General stresses, need to reverse this declining aid trend by fulfilling the UN's target of providing 0.7 per cent of their GNP in aid to developing countries. Overall, the 21 DAC countries now allocate only 0.33 per cent to official aid. There also needs to be a reduction in the amount of aid directly tied to donor country purchases, as well as improvements in aid coordination and effectiveness.

Debt causes 'leakage'

Africa's high debt repayment burden — which now consumes about one-third of the continent's total export earnings — "constitutes a large leakage of resources otherwise available for financing growth and development," says the report.

Creditor countries need to take "bolder measures" to reduce this burden on Africa, the Secretary-General argues. Further measures are needed to write off ODA debt, which still amounts to $30 bn of the total. In addition, the Paris Club of official creditors should adopt the full Trinidad terms for debt reduc-

tion, which allows for two-thirds of eligible debt to be written-off as opposed to the 50 per cent reduction currently on offer.

For sub-Saharan Africa, debt to multilateral institutions accounts for 25 per cent of total obligations and 40 per cent of total debt servicing payments. These institutions should consider a "menu of options" to alleviate Africa's burden, the Secretary-General suggests, including a one-time allocation of Special Drawing Rights by the International Monetary Fund (IMF) to finance multilateral debt stock reduction, IMF gold sales, to be used to clear the arrears of low-income countries to that institution, and debt-equity swap arrangements to convert debt to the World Bank into equity investments by the Bank's private-sector lending arm, the International Finance Corporation.

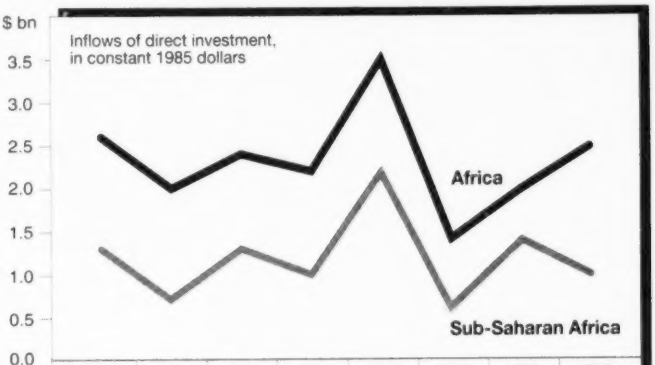
Although commercial bank debt accounts for only 15 per cent of sub-Saharan Africa's total debt, it remains quite significant for middle-income countries like Nigeria and Côte d'Ivoire. Creditor governments need to exercise "moral suasion" to induce banks to agree to debt reduction, argues the Secretary-General.

With the exception of a few mineral-rich countries, foreign direct investments in most of Africa have been a relatively insignificant source of external financing. The average annual inflow into the continent in the 1980s was around $2.5 bn annually, a level that declined to $2 bn annually in the early 1990s (for sub-Saharan Africa, the levels were $1.3 bn and $1 bn, respectively).

Private foreign investment in Africa has remained minimal for a variety of reasons, the report notes. These have included local restrictions on capital flows, uncertainty about African governments' commitment to adjustment programmes and poor commodity prices, high debt burdens and other conditions that limit growth prospects.

While many African countries have taken steps to improve the investment climate in their countries, the Secretary-General urges that they "should relax further the remaining policy and institutional constraints" on foreign direct investment. The international community should also take initiatives to promote investment in Africa, both directly and by supporting institution-building and human-resource development in Africa.

Volatile foreign investment



	1985	1986	1987	1988	1989	1990	1991	1992
Africa	2.6	2.0	2.4	2.2	3.5	1.4	2.0	2.5
Sub-Saharan Africa	1.3	0.7	1.3	1.0	2.2	0.6	1.4	1.0

Source: World Bank and ECA

FIRST REPORT ON THE NEW AGENDA FOR AFRICA

Diversification Fund for Africa: a compelling need

AN INTERNATIONAL Diversification Fund must be established if Africa is to address the "compelling need" to broaden its economic base, Mr. Boutros Boutros-Ghali argues in a report to this year's General Assembly. "The region relies on too few commodities for its export earnings; exports of these commodities have been stagnant and offer little prospect for growth," the Secretary-General says.

The international facility would be modest in scope, notes the report, prepared by the UN Food and Agriculture Organization. It could be established, the report suggests, as a window of the African Development Bank (ADB), for an initial period of three-to-four years, with its $50-70 mn raised from voluntary contributions from donor countries and multilateral institutions. The facility's purpose would be to finance the pre-investment phase of diversification schemes, in order to develop projects that could be attractive to investors and other funding sources.

Reinforcing this initiative, African countries would set up national diversification councils, comprising government and business representatives; farmers' organizations, women's groups and other non-governmental organizations; technical experts; and representatives of international development agencies. These would ensure that African governments place a high priority on diversification, identify opportunities, appraise the progress of projects and help disseminate information.

Africa's share in world markets has declined steadily, notes the report, and now accounts for less than 2 per cent of world merchandise trade. The world prices for key agricultural exports in particular have been spiralling

downward: by 1992, the real export prices of coffee and cocoa had fallen 69 per cent from the start of the 1980s, while that of palm oil had fallen 49 per cent and for sisal and cotton, by 47 per cent.

The lack of international market opportunities has been a key factor, stemming both from sluggish demand and from protectionism in developed market economies. Market access has been made worse by the practice of linking higher tariffs to increased processing of developing country products. Overall, the prospects for the main agricultural commodities now exported by Africa remain dim. The fact that many African countries depend on just one or two such exports for the bulk of their external earnings makes them particularly vulnerable to market fluctuations.

Seeking alternative export products for which market prospects are better is a natural response to this difficult situation, notes the re-port. Moreover, "diversification is an appropriate strategy for transforming the economy by promoting agro-industries and processing raw materials."

Diversification can be "horizontal," that is, the development of new export commodities or new varieties of traditional ones. It can be "vertical," involving a greater degree of processing of traditional exports, so as to increase their value. It can also include the development of new uses for traditional commodities. Diversification, moreover, need not be oriented only to non-African markets; it can be aimed at other African countries or even at domestic markets.

A number of African countries have taken steps to diversify their commodity sectors and to enhance the climate for private sector initiative. The report cites several examples of successes in this direction, including the development of pineapples in Côte d'Ivoire, shrimp in Senegal and horticulture in Kenya.

Modest financing required

According to estimates cited by the report, external assistance for African diversification projects is relatively small, averaging around $370 mn a year during the 1980s.

Moreover, while diversification projects that can demonstrate some feasibility appear able to attract interest from investors and other funding sources, says the report, there is currently a gap in development assistance for preparing diversification projects. The proposed diversification facility for African commodities, set up within the ADB, would specifically seek to help fill that gap.

Even if implemented, such a proposal, to be effective, would require parallel action by both African countries and the international community, stresses the report. African countries need to develop an "enabling environment" in which economic growth can flourish, give a high priority to public investments in infrastructure and, through training and other means, develop the human skills needed to drive the diversification process.

Developed countries, says the report, should meanwhile enhance market access opportunities for commodities from Africa and provide adequate external financing for Africa's development, including through debt reduction, greater aid and the facilitation of private capital flows.

Slowdown in export growth

	1978-88	'88-2000
Cereals	4.4%	3.2%
Sugar	1.6	0.5
Oils & oilmeals	-2.8	-0.1
Meat	-3.9	4.9
Coffee	0.3	1.0
Cocoa	4.1	0.4
Tea	4.4	3.7
Bananas	-4.4	3.5
Cotton	4.3	0.6

* annual average growth of Africa's major agricultural exports by volume

Source: FAO

Africa's agricultural exports will continue to expand, but for most countries at a much slower rate than during the 1980s. With most commodity prices depressed and expected to rise only modestly, Africa's narrow export base will remain a major constraint to development.

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